

# NBER

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## PRESS RELEASE

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### RECOVERY BEGAN IN NOVEMBER

CAMBRIDGE, July 08 -- The Business Cycle Dating Committee of the National Bureau of Economic Research met yesterday in Cambridge and identified November 1982 as the trough of the recession that had begun in the United States in July 1981. The trough signifies both the end of a recession and the beginning of a recovery or business expansion. NBER President Eli Shapiro, who was unable to attend the committee's meeting, reviewed the minutes before releasing this statement.

In reaching the judgement that an economic expansion was under way, the committee noted that output and sales in the United States have by now either nearly reached or exceeded levels they had achieved before the onset of the recent recession. For example, real gross national product in the first quarter of this

year was only 1.5 percent below its peak, and preliminary indications are that further growth to midyear has been substantial.

Real retail sales, which declined by 4.9 percent during the recession, have already well exceeded their pre-recession peak.

Other measures of output and sales, especially outside the goods industries, have also shown solid growth since late last year.

Total employment began to recover sharply this spring and is now almost back to its pre-recession peak.

The committee also strongly emphasized that the expansion has been extending throughout the economy in recent months and is now widespread. For example, approximately five-sixths of all manufacturing, mining and utility industries now report higher production levels than they were experiencing six months ago, and three-fourths of all nonfarm industries report higher employment levels than six months ago.

The selection of November as the trough month reflected the central tendency of the turning points in a number of individual series. For example, real personal income and real manufacturing and trade sales both bottomed in October. Industrial production and employee hours worked at nonfarm establishments both reached their low point in November. Employment at nonfarm establishments reached its low, and the total unemployment rate its high, in December.

In terms of the corresponding quarterly chronology, the committee identified the final quarter of 1982 as the trough quarter. The previous quarterly peak occurred in the third quarter of 1981, they determined. The recession's sixteen-month length was equal to that of the November 1973 to March 1975 recession. Both were longer than any other other recession in U.S. experience since World War II.

Committee members are: William Branson, Princeton University (who did not attend yesterday's meeting); Benjamin Friedman, Harvard University; Robert Gordon, Northwestern University; Robert Hall, chairman, of Stanford University; Geoffrey Moore, Columbia University; Eli Shapiro, NBER president; and Victor Zarnowitz, University of Chicago.

(July 8, 1983)